

STATE OF WASHINGTON
DEPARTMENT OF FINANCIAL INSTITUTIONS
SECURITIES DIVISION

IN THE MATTER OF DETERMINING
Whether there has been a violation
of the Business Opportunity Fraud Act of the
State of Washington by:

Combined Resource Systems, Inc., Barry Wise,
Kevin Hall, its owners, principals, officers, agents
and employees,

Respondents.

SDO - 52-02

SUMMARY ORDER TO CEASE AND DESIST

Case No. 02-05-201

THE STATE OF WASHINGTON TO: Combined Resource Systems, Inc.
8275 S. Eastern Avenue, Suite 200
Las Vegas, Nevada 89123

Barry Wise, President
532 Startop Street
Henderson, Nevada 89052

STATEMENT OF CHARGES

Please take notice that the Securities Administrator of the State of Washington has reason to believe that Respondents Combined Resource Systems, Inc., Barry Wise, and Kevin Hall have violated the Business Opportunity Fraud Act and that their violations justify the entry of an order of the Securities Administrator under RCW 19.110.150 to cease and desist from such violations. The Securities Administrator finds that delay in ordering the Respondents to cease and desist from such violations would be hazardous to the investors and to the public and that a Summary Order to Cease and Desist should be entered immediately.

The Securities Administrator finds as follows:

SUMMARY ORDER TO CEASE AND DESIST

1

DEPARTMENT OF FINANCIAL INSTITUTIONS
Securities Division
PO Box 9033
Olympia, WA 98507-9033
360-902-8760

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

TENTATIVE FINDINGS OF FACT

I. Respondents

1. Combined Resource Systems, Inc. (“CRS”) is a Nevada Corporation with its principal place of business at 8275 S. Eastern Avenue, Suite 200, Las Vegas, Nevada 89123. CRS offers a business opportunity involving vermiculture and the cultivation of worms.
2. Barry Wise (“Wise”) is the President of CRS and maintains a residence at 532 Startup Street, Henderson, Nevada 89052.
3. Kevin Hall is an agent/employee of CRS, who engaged in sales activity with at least one resident of the state of Washington.

II. Nature of the Business Opportunity

1. CRS maintains a website on the World Wide Web located at www.crsnv.com. The website is available to residents of the state of Washington. The website describes a business opportunity in which purchasers would engage in vermiculture. The science of vermiculture studies the management of worms and the uses that are available in agriculture. The website describes the necessity of raising worms due to the growing amounts of animal and agricultural waste. The purchaser of the business opportunity would breed worms. These worms, the offspring and the by-products produced by the worms could then be resold to CRS or to any other purchaser.

On May 29, 2002 a Washington resident requested information on the business opportunity via email. Kevin Hall, a sales representative, responded the same day by sending an electronic version of the marketing material. These materials included information regarding the “Worm Breeding Packages”. The material stated in part:

1 \$10,000 Package
2 100,000 worms (bed-run)
3 Shipped to you anywhere in the U.S.
4 3-year worm purchase agreement @ \$6 lb.
5 Buy-back of up to 2,000 lbs. per month.
6 CRS worm breeding instructions.
7 One year money back guarantee!

8 The informational material sent to the Washington resident did not include complete
9 material information relating to the vermiculture business opportunity, including but not limited
10 to, a business opportunity disclosure document. The materials also failed to include a financial
11 statement for CRS and a notice that purchasers have a statutory right to rescind the purchase
12 within seven (7) days of signing a contract.

13 Further, CRS failed to notify the Washington resident that the Pennsylvania Securities
14 Commission had issued a Summary Order to Cease and Desist on July 25, 2000, which ordered
15 CRS to immediately cease from offering and selling an unregistered business opportunity in the
16 state of Pennsylvania.

17 III. Registration

18 Combined Resource Systems, Inc. is not currently registered to sell its business opportunities in
19 the state of Washington and has not previously been so registered.

20 IV. Emergency

21 The Securities Administrator finds that the continued offering of the vermiculture business
22 opportunity by CRS in the manner described in Tentative Finding of Fact, presents a threat to the
23 investing public. An emergency exists, in that further sales of the business opportunity described
24 above would be hazardous to investors and the public of the state of Washington.

25 Based upon the above Tentative Findings of Fact, the following Conclusions of Law are made:

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

CONCLUSIONS OF LAW

I.

The offer and/or sale of the vermiculture business opportunity offered by CRS described above constitutes the offer and/or sale of a business opportunity as defined in RCW 19.110.020(1).

II.

The offer and/or sale of said business opportunity is in violation of RCW 19.110.050 because no registration or notification of claim of exemption for such offer and/or sale is on file with the Administrator of Securities, state of Washington.

III.

The offer and/or sale of said business opportunity was made in violation of RCW 19.110.120 because Respondents Combined Resource Systems, Inc., Barry Wise, its owners, principals, officers, agents and employees, failed to provide material information concerning Combined Resource Systems, Inc., the vermiculture business opportunity and the Summary Order to Cease and Desist issued by Pennsylvania on July 25, 2000.

IV.

The offer and/or sale of the vermiculture business opportunity as described in the Tentative Findings of Fact was made in violation of RCW 19-110-050(1) because Respondents failed to disclose to prospective purchasers that they had a statutory right to rescind a purchase within seven (7) days of signing a contract.

1 The Securities Administrator finds that an emergency exists, that the continued violations of
2 RCW 19.110.050 and RCW 19.110.120 constitute a threat to the investing public, and that summary
3 orders to cease and desist from those violations is in the public interest and necessary for the
4 protection of the investing public.

5
6
7 **SUMMARY ORDER**

8 Based on the foregoing, NOW, THEREFORE, IT IS HEREBY SUMMARILY ORDERED That
9 Combined Resource Systems, Inc., Barry Wise, its owners, principals, officers, agents and employees,
10 cease and desist from offering and/or selling business opportunities in any manner in violation of
11 RCW 19.110.050, the section of the Business Opportunity Fraud Act requiring registration.

12 It is further SUMMARILY ORDERED That, Combined Resource Systems, Inc., Barry Wise, its
13 owners, principals, officers, agents and employees cease and desist from offering and/or selling
14 business opportunities in any manner in violation of RCW 19.110.120, the anti-fraud section of the
15 Business Opportunity Fraud Act.

16
17 **AUTHORITY AND PROCEDURE**

18 This Order is entered pursuant to the provisions of RCW 19.110.150 and is subject to the
19 provisions of Chapter 34.05 RCW. The Respondents, Combined Resource Systems, Inc. and Barry
20 Wise, may make a written request for a hearing as set forth in the NOTICE OF OPPORTUNITY TO
21 DEFEND AND OPPORTUNITY FOR HEARING accompanying this order.
22

1
2
3 WILLFUL VIOLATION OF THIS ORDER IS A CRIMINAL OFFENSE.

4 DATED this 8th day of July, 2002.
5
6

7 

8 _____
9 DEBORAH R. BORTNER
10 Securities Administrator

11 Presented by:

12
13 _____
14 Susan Anderson
15 Investigator

16
17 _____
18 Martin Cordell
19 Financial Legal Examiner

20 Approved by:

21
22 _____
23 Michael E. Stevenson
24 Chief of Compliance